

ns palestine/israel and the united states

For years, America has given almost uncritical financial and diplomatic support to the Jewish state. Will a breaking point come one day?

By **DAVID HIRST**

Right-hand man: George Bush stays on the straight and narrow with Ariel Sharon



When the puppet runs the puppeteer

Some have taken to calling it the “Israelisation of America”. It may not be an extravagant term for the extraordinary influence that a small country at the eastern end of the Mediterranean has acquired over the foreign policies of the world’s only superpower.

The hold the Israeli protégé has over its American patron is rooted in the domestic political clout and dynamism of what, in his book *Jewish Power*, J J Goldberg calls “the largest and most powerful Jewish community in history”. It is all the more phenomenal in that, before Israel was born, America’s six million Jews, a mere 2 per cent of the population, were far from united behind, or even very interested in, ethnocentric political Zionism.

Yet the American public was well-disposed towards Israel from the outset. So potent was the dominant, pro-Israeli orthodoxy to which the intelligentsia, media, academe and opinion-moulders in general subscribed that, according to a dissident Jewish commentator, the late I F Stone, promoting any view that “departs from the Israeli line is about as easy as selling a thoughtful exposition of atheism to the *Osservatore Romano* in Vatican City”.

This is the climate in which American policy-making is shaped. Politicians are under no pressure to address the other side of the equation: the Palestinians’ expulsion and their struggle for self-determination. Stephen Green observes, in his book *Taking Sides*, that “a strong case can be made that Eisenhower was the last American president actually to make US Middle East policy [rather than] Israel and the friends of Israel in America”.

Despite occasional, short-lived bouts of official American “even-handedness”, this partisanship has intensified with time, and with the evolution of the conflict on the ground. Since 1977, ultra-nationalist Likud has enjoyed long spells in office, and its kindred spirits in religious guise have emerged as a powerful new force on the political stage. In Washington DC, too, the “friends of Israel” have been growing more extreme, gaining increasing sway. If their influence over the media has remained static, or

even declined, they have more than made up for it in both the legislative and executive branches of government.

The American Israel Public Affairs Committee (Aipac), the most formidable weapon in the Jewish lobby’s arsenal of political persuasion, has so mastered Congress that, according to William B Quandt, a former member of the National Security Council, “70 to 80 per cent of its members will go along with whatever they think Aipac wants”. One thing it wanted was an unceasing flow of aid; this became such a cornucopia that, over the years, for every dollar America has spent on an African, it has spent \$250 on every citizen of a country whose standard of living has long since come to rival affluent Europe’s.

For the past quarter-century, America has been giving Israel about \$3bn (£1.6bn) a year, usually 60 per cent of it in military aid and 40 per cent in economic aid, though the proportion of military aid is fast increasing. Altogether, America has given Israel well over \$90bn (£49bn) since the state was founded. On top of the yearly grant, transferred in a handy lump sum at the beginning of the fiscal year, Israel gets almost as much again in hidden benefits: military support from the defence budget, forgiven loans and special grants. None of this is ever questioned by Congress.

No less important is the demand for America’s unconditional diplomatic support in every contingency. For 35 years, said Paul Findley, a legislator whom “the lobby” drove from office, Congress has behaved “like a subcommittee of the Israeli parliament” where “criticism of Israel, even in private conversation, is all but forbidden, treated as downright unpatriotic, if not anti-Semitic”.

Another powerful lobby machine, the Conference of Presidents of Major American Jewish Organisations, concentrates on the executive. There, mainly in the guise of the neoconservatives, the friends of Israel have reached their apogee. This can be measured by their sheer numerical strength within the administration as well as by the closeness of their ideological, institutional and personal ties not merely with Israel, but with the Israel of Ariel

How much does Europe help the Palestinians?

The European Union, worried about extremism and violence on its southern borders, has long seen peace in the Middle East as a strategic priority. In 1980, EU leaders broke new ground by voicing strong support for the creation of an independent and viable Palestinian state. Since then, political backing for Palestinian self-determination has gone hand in hand with EU aid to the Palestinian territories.

Taken together, the European Commission and individual EU governments are the largest providers of financial and technical assistance to the Palestinian Authority, representing more than 50 per cent of all international financing for the West Bank and the Gaza strip since 1994. The European Commission, the EU's executive agency, has spent 1.8bn (£1.2bn) in the territories since 1994. It is estimated that bilateral assistance to the Palestinians by EU member states amounted to 2.5bn (£1.7bn) during the same period.

The money from the European Union covers humanitarian relief in general. More controversially, it is also used to build the institutions and infrastructure that will be needed by a future Palestinian state. Recent EU aid has focused on bolstering the PA's efforts at reforming itself.

The EU provides relief through Echo, its humanitarian aid office. Echo's activities in Gaza and the West Bank have increased since the start of the second intifada, with the agency providing assistance and food aid worth 200m in total (£134m) over the past four years.

The European Investment Bank – the EU's long-term lending arm – has joined with EU governments and the Commission to help finance big Palestinian infrastructure projects, including Gaza Airport, the Palestinian Broadcasting Corporation and Gaza port. According to EU estimates, about 24m (£16m) worth of projects financed by the EU and its member states has been damaged by the Israeli army in successive operations in the West Bank and Gaza.

But by far the most important – and most controversial – element of EU aid to the Palestinians has been the provision of 246m (£164m) in non-targeted direct budgetary assistance to the PA from June 2001 to the end of 2002. The Commission paid out the sum in monthly instalments of 10m (£6.7m) to the PA as part of an international effort to help the Palestinian administration after Israel's unilateral decision to freeze all monthly tax transfers to the occupied territories.

The money helped prevent the collapse of the Palestinian administration by allowing the PA to continue paying public-service salaries and to fulfil its crucial role in education and health. Each tranche of EU aid was monitored carefully by the International Monetary Fund to ensure that the money reached its target. Israel, however, has alleged that EU aid has been used to finance Palestinian suicide bombers, a charge vehemently denied by the European Commission. A special European Parliamentary investigation into the Israeli allegations, as well as an inquiry by the EU's anti-fraud office, Olaf, produced no proof to uphold Israel's claims.

The EU pressed the PA to set up a single treasury account that centralised the entire PA budget in one fund under the authority of the minister of finance. A Palestinian Investment Fund was established in 2002 to bring PA investment and commercial operations under centralised control. More transparent and accountable budget management practices, as well as a more efficient auditing system, were introduced.

Once Israel resumed its regular tax transfers – using the single treasury account set up by the EU – Europe restructured its aid. In April 2003 it introduced a new Reform Support Instrument worth 80m (£53m) to help the PA pay off its arrears to small enterprises and to the social services. An additional 10m was earmarked for technical assistance to help implement public-finance reforms.

Shada Islam

Sharon and his Likud party. On top of this comes, more or less unanticipated, but huge, the bonus of recent times: the rise of evangelical fundamentalists who believe that an expanding and militant Israel, at war with the Muslim anti-Christ, is a necessary prelude to the Second Coming. Whether or not George W Bush, too, actually believes this, he and his party chiefs zealously woo the evangelicals as a vital component of his Republican power base.

Time and again, the US president has acquiesced in the latest actions of Israel's prime minister. In 2002, immediately after Sharon launched his military onslaught on the West Bank, Bush called on him to withdraw his troops. But after the neo-cons, the lobby and the evangelicals staged a combined show of force in Washington, DC, the president ended up by inviting Sharon to the White House, famously calling him a "man of peace". Bush's greatest favour to Sharon came earlier this year: when he accepted the prime minister's plan for withdrawing from Gaza, he also

accepted that Israeli settlement in the West Bank had changed the political situation. This went against countless United Nations resolutions and, in effect, put the United States behind Sharon's expansionist designs for a Greater Israel.

Even so, there has always been, as there was always bound to be, a conflict of interest between the patron and the most imperious of its protégés. This conflict, ever latent, sometimes apparent, is ultimately as profound as the friendship required to mask or minimise it is strong. If the conflict gets out of hand, who, in this very special relationship, will prevail? Logically, given the immeasurable disparity of power, it can only be America. But there will be a mighty struggle before it does.

David Hirst is a correspondent for the Guardian and the author of The Gun and the Olive Branch (Faber & Faber). Its third edition (2003) elaborates on the themes in this piece

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